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**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of

Petition for Rulemaking to Define "Captured")
And "New Subscriber Lines For Purposes of) RM-10522
Receiving Universal Service Support,)
Pursuant to 47 C.F.R. 54.307 *et seq.*)

**COMMENTS IN SUPPORT OF THE
NATIONAL TELECOMMUNICATIONS COOPERATIVE ASSOCIATION
PETITION FOR EXPEDITED RULEMAKING**

The Utah Rural Telecom Association pursuant to Section 1.401 of the Federal Communications Commission's (Commission or FCC) rules hereby submits comments in support of the petition for Expedited Rulemaking of the National Telecommunications Cooperative Association (NTCA). The association represents fourteen companies in Utah, which cover approximately 85 percent of the geographic area in the state.

The Association has an interest in this proceeding because its members provide service in rural, high-cost areas throughout Utah. Association members have invested in facilities needed to fulfill their obligations to serve consumers in their service areas. The viability of federal universal service support is critical to the continuation of adequate, affordable and comparable services to customers in the areas served by Association members.

NTCA asks for a narrow proceeding to adopt interim measures needed to prevent erosion of universal service in rural, insular and high cost areas. We would ask the Commission to grant NTCA's petition and promptly initiate a rulemaking to adopt the Rules that NTCA proposes.

The terms used in 47 C.F.R. § 54.307, "captured" or "new" were not defined. As a result, support is being indiscriminately provided to CETCs that file loop counts with the Universal Service Administration Company. In fact, CETCs that have no loops are only required to file the total number of customers within a service area to receive support. This is resulting in duplicative support which is contrary to the goals of universal service.

The rules have created unfair competitive advantages for CETCs and imposed an undue burden on the public in the process. Competitive neutrality is a fiction because CETCs do not have the carrier of last resort obligations that are imposed in incumbent local exchange carriers (ILECs). Moreover, wireless CETCs getting the same support as ILECS are often held to a different service quality standard than that of ILECs and they do not have equal access obligations like the ILECs. In the long run, the consumer will not benefit from rules which view high cost and access support as opportunities to create competition instead of sustaining affordable and comparable service in rural, high cost areas. The escalating support to CETCs demonstrates that an expedited proceeding is needed to address the distortions that are created by the gaps in the Commission's rules.

The FCC thought that competitive neutrality would be furthered because the States would only designate CETCs in service areas where they would in fact provide service. We think the Commission believed that aCETCs could not gain competitive advantages by serving only low cost areas while gaining high cost support. This belief has proved to be incorrect, as CETCs can still choose to serve only lower costs customers since the FCC has sanctioned

state decisions holding that there is no requirement that they actually serve customers before being certified and they need only advertise throughout the entire service area. States have not imposed measures to prevent low cost competitors from taking advantage of the rules.

Utah Rural Telecom Association supports the changes requested by NTCA, regarding Captured Subscriber Lines, New Subscriber Lines and the Customer Billing Address issue.

Utah Rural Telecom Association also supports NTCA's proposed change regarding Support to a Competitive Eligible Telecommunications Carrier.

If requests for ETC designation pending before the FCC are granted, this will result in more duplicative support unless the rules are modified to preserve the intent that the FCC had when it established the rules in 1997. Utah Rural Telecom Association believes that the long-term sustainability of universal service will be promoted by enactment of NTCA's proposed changes.

CONCLUSION

For the above stated reasons, the Utah Rural Telecom Association urges the commission to grant NTCA's petition.

Respectfully submitted,

By: Nancy W. Gibbs
Executive Director

September 9, 2002

